

## Message From The Secretary

I am pleased to present the U.S. Department of Health and Human Services (HHS) Fiscal Year (FY) 1999 Accountability Report, detailing our achievements during the final year of the 20<sup>th</sup> century. This report includes an unqualified, or “clean,” financial statement audit opinion from the Office of Inspector General. This “clean” opinion reflects very significant improvements over recent years in our financial accountability and internal controls. Our commitment is to hold government accountable to the same high financial standards that are required of publicly held firms in the private sector. We are living up to that commitment, and we will continue vigorously to address areas that need further attention.



*Secretary Shalala*

This past year saw a wide range of accomplishments:

Providing a safe and healthy childhood for our children has always been a high priority of HHS, and in 1999 we awarded the first adoption bonuses to 35 states that had increased the number of children adopted from foster care. The teen birth rate fell again, continuing a seven-year trend; the immunization rate for preschool children increased to a record 80 percent; and retail tobacco sales to minors and illicit drug use among teenagers declined.

In 1999 we also took a number of steps to increase Americans' access to health care. We worked with states to increase the availability of Medicaid, particularly to young adults leaving the foster care system; made it possible for disabled Americans to keep federally-funded health insurance when they return to work; obtained initial funding for a new program to improve health care access for the uninsured; and made it easier for children to get health insurance through their non-custodial parents after a separation or divorce. We also completed the approval of all 56 States and Territorial plans under the State Children's Health Insurance Program (SCHIP) which will provide health insurance for children in low-income families. And we recovered almost \$500 million as a result of efforts against health care fraud and abuse, with most of those funds being returned directly to the Medicare Trust Fund.

Our accountability is also illustrated in our ability to detect and correct material weaknesses in our operations. This report includes information, which satisfies the reporting requirements for the Federal Managers' Financial Integrity Act (FMFIA) of 1982. The management control material weaknesses (as defined by FMFIA) we have identified at the end of FY 1999 are presented in Section VI of this report. I hereby provide reasonable assurance that taken as a whole:

1. HHS is in compliance with the management control and financial systems requirements of the FMFIA; and
2. The resources entrusted to the Department are protected from fraud, abuse and mismanagement, though we have noted and are addressing the material weaknesses identified in this report. We will continue to focus on reducing the payment error rate in Medicare.

As we enter the next millennium, we hope to build on our past successes. We will continue to move people from welfare to work, expand and improve health care and, with the budget increase we secured for NIH in FY 2000, we will work diligently to unlock the mysteries of cancer, AIDS and other diseases that threaten our health.

A handwritten signature in black ink, appearing to read "D. Shalala". The signature is fluid and cursive, with a large initial "D" and "S".

Donna E. Shalala